

Marie L. Fiala (State Bar No. 79676)  
Peter J. Benvenuti (State Bar No. 60566)  
Russell P. Cohen (State Bar No. 213105)  
HELLER EHRMAN LLP  
333 Bush Street  
San Francisco, CA 94104-2878  
Telephone: (415) 772-6000  
Facsimile: (415) 772-6268  
Email: Marie.Fiala@hellerehrman.com

Gary M. Kaplan (State Bar No. 155530)  
HOWARD RICE NEMEROVSKI CANADY FALK & RABKIN  
A Professional Corporation  
Three Embarcadero Center, Seventh Floor  
San Francisco, CA 94111-4024  
Telephone (415) 434-1600  
Facsimile (415) 217-5910  
Email: gmkaplan@howardrice.com

Attorneys for Defendant PACIFIC GAS AND ELECTRIC COMPANY

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

PUBLIC UTILITY DISTRICT NO. 2 OF  
GRANT COUNTY, WASHINGTON,

Plaintiff,

vs.

PACIFIC GAS AND ELECTRIC COMPANY,

Defendant.

Case No.: C 07-03243 JSW

Chapter 11 Case

Bankr. Case No. 01-30923 DM

**NOTICE OF DECEMBER 4 ORDER  
BY JUDGE WENDELL MORTIMER,  
JR. OF THE LOS ANGELES  
SUPERIOR COURT.**

1 On April 9, 2007, Defendant Pacific Gas & Electric ("PG&E") and others filed a breach of  
2 contract action in Los Angeles Superior Court against governmental sellers of electric power,  
3 including Public Utility District No. 2 of Grant County, Washington ("Grant County"). *PG&E et*  
4 *al. v. Arizona Elec. Power Cooperative, Inc. et al.*, Case No. BC 369141, Los Angeles Superior  
5 Court (filed Apr. 9, 2007) (the "Los Angeles Action"). On September 25, 2007, the Court  
6 dismissed the claims against Grant County on the basis that the Court lacked personal jurisdiction  
7 over Grant County. That decision is on appeal. On December 4, 2007, Judge Wendell Mortimer,  
8 Jr. of the Los Angeles Superior Court issued a ruling overruling virtually all demurrers filed by  
9 defendants in the Los Angeles Action against PG&E. Among other rulings, the Court held that, by  
10 filing a claim in PG&E's bankruptcy, the defendant governmental sellers had waived their  
11 sovereign immunity.

12 Judge Mortimer's December 4 Order is attached hereto as Exhibit A for the Court's  
13 convenience.

14 DATED: December 6, 2007

Respectfully submitted,

15 HOWARD RICE NEMEROVSKI CANADY FALK  
16 & RABKIN  
17 A Professional Corporation

18 HELLER EHRMAN LLP

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20  
21 By                     /s/                      
Peter J. Benvenuti

22 Attorneys for Defendant  
23 PACIFIC GAS AND ELECTRIC COMPANY  
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